



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	SB0037	<b>Title:</b>	Revise laws for filing of exempt water right claims
<b>Primary Sponsor:</b>	Fielder, Jennifer	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$822,910	\$20,280	\$20,584	\$20,893
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$822,910)</u>	<u>(\$20,280)</u>	<u>(\$20,584)</u>	<u>(\$20,893)</u>

**Description of fiscal impact:** SB 37 would require the Department of Natural Resources and Conservation (DNRC) to provide notice and mailings to the public, informing them of the open filing period and associated deadlines for filing water rights claims. It would also require the Water Court to issue supplemental preliminary decrees in basins where a preliminary decree, related to exempt claims, has been issued prior to March 1, 2018. The bill also sets forth notification standards related to the issuance of supplemental preliminary decrees.

### FISCAL ANALYSIS

#### Assumptions:

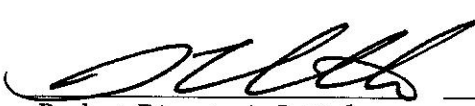
#### **DNRC**

1. Notice is required to be published in each county and is estimated to involve 73 newspapers. All notices would be published and mailed in in FY 2016.
2. The average cost for the publication is estimated to be \$540 per newspaper. The total estimated cost for this notice is \$39,420.
3. Notice is required to be mailed to each property tax payer. The Department of Revenue (DOR) indicated this would involve sending notice to 648,000 taxed properties. The estimated cost to develop the forms and print and mail the notice is estimated to be just over \$1.00 per taxpayer for a total cost of \$688,210.
4. Notice is required for new exempt filings prior to final decree through a supplemental preliminary decree. It is estimated that this may involve up to 50 basins at an average cost of \$1,500 per basin. The total estimated cost for this notice is \$75,000.

**Judicial Branch**

5. The Water Court estimates that it may issue up to ten supplemental preliminary decrees each fiscal year. Section 85-2-232(3), MCA, establishes that each supplemental preliminary decree must be published at least once each week for 3 consecutive weeks in at least three newspapers.
6. It is estimated that each supplemental preliminary decree will have one objection and one extension for the maximum time, as allowed in 85-2-233 (1) and (3), MCA. The same publications standards established for the issuance of the supplemental preliminary decree are followed for each objection and extension filed.
7. The estimated cost to publish notification for one supplemental preliminary decree including notice of extension and objection in three newspapers is \$2,028.
8. Issuance of ten supplemental preliminary decrees each fiscal year equals would cost \$20,280 per year.
9. A 1.5 percent per year inflation factor has been applied for the 2019 biennium.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$822,910	\$20,280	\$20,584	\$20,893
<b>TOTAL Expenditures</b>	<u>\$822,910</u>	<u>\$20,280</u>	<u>\$20,584</u>	<u>\$20,893</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$822,910	\$20,280	\$20,584	\$20,893
<b>TOTAL Funding of Exp.</b>	<u>\$822,910</u>	<u>\$20,280</u>	<u>\$20,584</u>	<u>\$20,893</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$822,910)	(\$20,280)	(\$20,584)	(\$20,893)

\_\_\_\_\_  
Sponsor's Initials\_\_\_\_\_  
Date
  
 Budget Director's Initials

  
 Date